

Expansion of 340B Drug Pricing Program in Vermont
Technical Specifications Document

The Department of Vermont Health Access (DVHA) is filing a Vermont Medicaid State Plan amendment to expand the 340B Drug Pricing Program in Vermont. The 340B Drug Pricing Program resulted from enactment of Public Law 102-585, the Veterans Health Care Act of 1992, which is codified as Section 340B of the Public Health Service Act. Section 340B limits the cost of covered outpatient drugs to certain federal grantees, federally-qualified health center look-alikes and qualified disproportionate share hospitals.

Effective October 1, 2010: For DVHA 340B enrolled network pharmacies submitting Point of Service pharmacy claims, DVHA will require submission of the 340B Acquisition Cost in the Submitted Ingredient Cost field (NCPDP 409-D9) and a value of '08' in the Basis of Cost Determination field (NCDPD-423-DN).

The dispensing fee will be a fixed amount of \$10.20. Claims will be priced at 340B acquisition cost plus \$10.20 for both in-state and out-of-state 340B-identified claims from enrolled pharmacies, or AWP-14.2% plus \$4.75 as 'safety net' pricing (e.g. no greater than our regular network price). This 340b expansion program is applicable to VTM primary claims only (BIN= 610593, PCN=VTM). If the beneficiary has primary insurance, the claim can NOT be submitted to VT Medicaid as a 340B-identified claim. In addition, this program is not applicable for those beneficiaries who have a Medicare Part D plan as primary. DVHA's Preferred Drug List (PDL), 90-Day Supply program, and all other program edits will apply.

For 340B-enrolled hospitals submitting claims for outpatient pharmacy services for which a HCPCS code is assigned, DVHA will require billing of the 340B Acquisition Cost of the drug in the Detail Billed Amount Field and the UD modifier for each 340B HCPCS code. If the HPCPS code is a covered service and is not considered a packaged service within APC pricing, HP will reimburse the HCPCS service at the lower of billed or allowed amount. This is in accordance with current outpatient reimbursement methodology. This 340B expansion program is applicable only to claims in which Medicaid is the primary insurer. If Medicaid is not the primary insurer, the claim will deny with an EOB "340B not allowed on secondary claims."